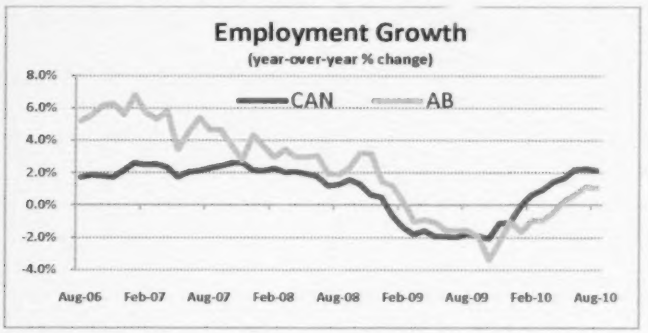
Labour Market

Employment retreats in August as gains in full-time jobs partially offsets part-time job losses…

Following a cumulative gain of 39,200 in the previous four months, employment in Alberta fell by 4,700 (-0.2%) between July and August. However, employment losses were only in part-time positions (-15,600). In contrast, full time employment increased by 10,900. The decline in jobs combined with a slight increase in the labour force pushed the unemployment rate up 0.2 percentage points to 6.5% in August. Despite the increase, Alberta continues to have the third lowest unemployment rate among the provinces, behind Saskatchewan (4.8%) and Manitoba (5.6%) and significantly lower than the national average of 8.1%.

Nationally, 35,800 jobs were created in August with large full-time gains partly offset by part-time losses. With the labour force rising even faster, the unemployment rate edged up 0.1 percentage points to 8.1%. With August's gain, employment in Canada surpassed its pre-recession peak reached in October 2008. This is in sharp contrast with the US, where only 723,000 of the 8.4 million jobs lost during the recession have been recovered.



New Housing Market

Housing starts cool sharply in August…

New housing starts in Alberta declined by 18.2% in August to 23,800 units (seasonally adjusted at annual rates), the lowest level in a year. This slowdown in activity was not surprising as the cooling resale market was expected to affect new home construction. Even with the decline, housing starts through the first eight months of 2010 were 77.2% higher than the same period in 2009 and 15.0% higher than the August 2009 level. Nationally, the easing in new homebuilding activity continued in August, as housing starts declined by 3.0%, the fourth consecutive monthly decrease.

Canadian Dollar (US¢/C$)	
September 10, 2010	96.54
September 3, 2010	96.05
2010-11 YTD	96.75
WTI Oil US$/bbl	
September 9, 2010	$ 74.25
September 2, 2010	$ 75.02
2010-11 YTD	$ 77.27
Nymex Natural Gas C$/MMBtu *	
Near-month Contract	
September 10, 2010	$ 4.02
September 3, 2010	$ 4.03

*Estimate based on Nymex Futures Market Price

Prices remain stable…

The New House Price Index (NHPI) for Alberta remained flat between June and July. On a year-over-year basis, however, prices were up 1.5% in July. Nationally, new house prices declined slightly (-0.1%) between July and August, following twelve consecutive monthly increases.

Building Permits

Value of permits declines in July…

The value of building permits issued in July in Alberta declined by 18.7% (seasonally adjusted) from a month earlier to just over $966 million, but was 10.1% higher than a year ago. The decline was completely in non-residential permits which fell by 38.8% in July, following a 68.6% increase in June. Residential permits were essentially flat (0.4%).

International Merchandise Trade

Largest trade deficit on record…

Canada's merchandise trade deficit widened sharply from $1.8 billion in June to a record $2.7 billion in July. Exports declined 0.7% while imports rose 2.0%. Exports to the US fell 2.2% and were largely responsible for the overall decline. While a cooling US economy and strong Canadian dollar are dampening Canada's exports, the strong Canadian domestic economy has ensured import growth remained intact.

Monetary Policy

BoC hikes rate further to 1.0%…

The Bank of Canada (BoC) raised its overnight rate by 25 basis points to 1.0% at its meeting this week. The BoC pointed to the uneven nature of the global economic recovery and noted that "economic activity in Canada was slightly softer in the second quarter than the Bank had expected". Despite three consecutive increases in interest rates, the BoC said that monetary conditions remain quite accommodative and future economic conditions in Canada and globally will determine the pace of monetary policy tightening in Canada.

Current Economic Indicators

Population	2008	2009	2010YTD*	Mar	Apr	May	June	July	August
Population[1] (000's) (level)	3,596	3,688	3,707	--	3,725	--	--	--	--
% change	2.4	2.6	2.1	--	1.6	--	--	--	--
Net Interprovincial Migraton[1] (level)	15,317	23,006	-6,832	--	312	--	--	--	--
Net International Migration[1] (level)	20,039	20,074	1,477	--	6,758	--	--	--	--
Net Non-permanent Residents[1] (level)	18,536	19,058	-4,332	--	48	--	--	--	--
Labour Market									
Employment (000's) NEW!	2,013	1,988	1,990	1,969	1,979	1,994	2,000	2,009	2,004
% change	2.8	-1.3	-0.1	-1.0	-0.4	0.3	0.6	1.1	1.1
Unemployment Rate (%) NEW!	3.6	6.6	6.8	7.5	7.4	6.6	6.7	6.3	6.5
Participation Rate (%) NEW!	74.7	74.3	73.3	73.2	73.4	73.2	73.3	73.1	73.0
Average Weekly Earnings ($)	923.21	950.13	987.40	993.04	993.17	985.03	1,003.53	--	--
% change	6.0	2.9	3.7	3.0	6.1	4.4	5.2	--	--
Price Indices									
Consumer Price Index	3.1	-0.1	1.2	1.0	1.6	1.1	0.6	1.5	--
Excluding food and energy	2.1	1.4	1.0	0.8	1.4	0.9	0.7	0.8	--
Non-Res. Const. Cost Index[2] (quarterly)	13.2	-9.8	-2.3	-5.0	--	--	0.6	--	--
Farm Product Price Index	11.5	-11.3*	--	--	--	--	--	--	--
Crops	26.7	-22.9*	--	--	--	--	--	--	--
Livestock	2.1	-0.8*	--	--	--	--	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	29.2	20.0	28.3	34.4	29.5	29.6	26.9	29.1	23.8
% change NEW!	-39.6	-31.6	77.2	168.8	128.7	107.0	32.5	50.0	15.0
New Housing Price Index	0.7	-9.0	0.1	-0.2	1.0	1.6	1.9	1.5	--
Edmonton NEW!	1.0	-11.2	-1.8	-2.4	-1.0	-0.1	0.6	0.2	--
Calgary	0.6	-6.7	2.0	2.0	2.9	3.1	3.2	2.7	--
MLS Average Resale Prices ($ 000's)	351.4	340.5	351.9	357.9	359.9	355.5	345.4	352.0	--
% change	-1.5	-3.1	6.2	10.3	7.7	7.1	4.0	3.1	--
Edmonton	330.8	319.1	324.0	341.4	332.1	317.9	303.9	322.1	--
% change	-2.0	-3.5	4.2	11.0	8.7	4.4	2.1	1.5	--
Calgary	401.1	384.3	400.0	398.2	401.3	411.5	403.8	404.0	--
% change	-2.9	-4.2	6.7	9.0	6.4	9.2	5.8	5.5	--
Retail Sales[3]	0.2	-8.3	4.9	11.2	5.3	2.1	3.8	--	--
New Motor Vehicle Sales	-7.3	-21.7	9.4	15.3	6.9	4.7	13.2	--	--
Consumer Bankruptcies	6,066	9,986	4291	776	744	672	778	--	--
% change	27.2	64.6	-15.2	-18.4	-11.2	-20.7	-23.8	--	--
Business Sector									
Rigs Drilling	236	128	188	219	62	56	118	199	222
% change	-2.1	-45.6	63.0	103.5	51.9	76.4	99.0	135.2	130.1
Goods Exports (customs based)	35.0	-36.3	17.9	17.0	24.1	47.0	17.7	8.7	--
Energy NEW!	43.2	-40.1	28.8	30.4	42.7	77.5	24.4	8.8	--
Agriculture	31.8	-10.2	-14.6	-9.3	-27.6	-5.0	-9.0	-3.4	--
Total Farm Cash Receipts (quarterly)	17.2	-8.1	-17.3	-17.3	--	--	--	--	--
Manufacturing Shipments	7.0	-21.6	8.1	9.9	12.2	11.9	10.4	--	--
Wholesale Trade[4]	8.7	-14.1	-1.5	-2.1	6.3	5.5	7.7	--	--
Building Permits	-16.5	-14.2	22.8	41.4	28.1	-11.8	32.5	10.1	--
Residential NEW!	-31.5	-11.8	74.0	91.3	64.6	90.9	53.0	19.3	--
Non-residential	3.7	-16.3	-14.9	2.0	0.0	-57.7	14.4	-3.0	--
Business Bankruptcies	447	405	200	48	37	35	23	--	--
% change	-0.4	-9.4	-2.4	54.8	54.2	2.9	-30.3	--	--

Government of Alberta ■
Finance and Enterprise

Alberta ■

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

[2] Average of Calgary and Edmonton

[3] The Retail Sales series was revised on April 23, 2010 and is no longer comparable with numbers in previous Bulletins.

[4] The Wholesale Trade series was revised on April 21, 2010 and is no longer comparable with numbers in previous Bulletins.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Current Economic Indicators by Province